

## How To Understand The Frustration of the Trademark Owner Over Domain Names

### And What You Can Do About It

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#### Introduction

The Internet is a wonderful new business tool. It is also a new medium and many have sought to take advantage of trademark owners in this new space. Several cases show the many pitfalls a trademark owner can fall into when trying to stop a diluting domain name. Clue, Porsche, Cybersell, Avery, MovieBuff, Panavision and more add up to Congressional action and a regulatory and definitive result. The sum total of these and other like experiences led to Congressional action that winds up in a cooperative and understanding attempt to come to the aid of private rights with government action. Why couldn't Hasbro, owner of the board game Clue stop a computer service from having the URL Clue.com? How did it come about that the owner of the famous name Porsche had its case dismissed after successfully and brilliantly reaching settlement with many of its in rem action URL infringers? Why does a Florida corporation that offers very similar services with an identical name as one in Arizona not get to protect its Cybersell name? When one person named Toeppen uses the famous Hollywood name Panavision, why does the Ninth circuit court bury the defendant and lay the foundation for new law? The how is the way the Federal Trademark Dilution Act, (15 U.S.C. 1125 (c)) has been interpreted by many courts and the lack of clear standards especially on what is and is not famous. The answers to many of these questions in the cyberspace law of the future are contained in the U.S. Anti Cybersquatting Consumer Protection Act (S. 1948 Sections 3000 et seq.), (the Act) amending 15 U.S.C. 1125 and adding a new section, 1129 for personal names. Case law has provided some inconsistent guidance on how a trademark owner can stop another's URL (Uniform Resource Locator) from infringing and diluting the goodwill and name associated with their goods or services. The reason that trademark and domain names will collide often is due to the nature of the Internet. Recent cases, after passage of the Act show that a court may even change horses in midstream to use the Act when it solidifies the trend of law and is equitable.

#### The Internet Factor

The Internet introduces a factor into trademark law that did not exist in a big way before. Prior to the Internet there were labels, boxes, signs and other trademark use on goods and ads that served to point out the source of those goods and services. One could use Clue for a game that is sold in toy stores along with another who sold computer services under the same name. They could also both be registered trademarks because they were used on and in different classes of goods and in very different places so that the public was unlikely to confuse them. Along comes the ability for source names to be registered by the tens of thousands for the tens of millions of Internet users to identify web sites on the Internet. There are only a few usual classes of goods and services on the Internet that would qualify for a trademark use, classes 9 (e goods), 35 (business services), 36 (banking, financial, brokers), 37 (business machine services, search engines), 38 (providing telecommunications connections to a global computer network), 41 (entertainment) and 42 (misc. services). Because much of this e-commerce is in advertising, direct sales, financial and business services, the marks that once were in different markets, classes and channels of trade are now more likely to appear in the same ones. It is now more likely that Weber barbeques and Weber's bread could confuse the public. Now Porsche cars and porschgirls.com do

not mix well and a web search brings up many Clues.

## Trademark Owners

For some trademark owners it has been really difficult and expensive to register a new domain name. Clue, Porsche, Cybersell, Avery-Dennison, MovieBuff and Panavision to name a few, found that the URL they wanted was taken by another or that there were already so many others using the name that their original trademark had become clouded and diluted. Depending on who that other is or was, where they are, whether the public would be confused, how famous a trademark is, what the claimant had rights to or what illegitimate uses a URL has, trademark owners and famous people could face success or disaster in court. *Panavision v. Toeppen*, an early case, fared well and set the course for the future legislation and standards because of the egregious acts of the defendant.

Surely the intent of the laws of trademark, dilution, trade dress and the many doctrines of the evolving law of Internet domain names is to protect the owner of the goodwill in a valuable enterprise. Surely the Internet is not going to be allowed to dilute many famous names or distinctive marks and the identity of the source of many unique goods and services. This matter concerns all; the large multinational manufacturer of famous sports cars as well as the small startup and retail web site; it involves the banking world and the small Internet entrepreneur. It concerns the public who may become confused and experience confusion lured by a URL to a similar mark ill used in a web site.

Four key cases on the law of dilution and trademark infringement and what has come to be called cyber squatting are intertwined. This is because the law of cyber squatting has until now been founded mainly on decisions dealing mainly with famous trademarks and because the fact patterns that have been held to be real cyber squatting have been limited and haltingly applied. The following several cases, are critical in assessing the impact of U.S. trademark law on web sites. These four cases show the need for development of the Act. The other cases discussed in this article prove the trend is correct and seems to work equitably.

### 1. Hasbro, Inc. vs. Clue Computing, Inc.

The first case I consider shows that many of the same rules used traditionally really can apply to trademarks used in cyberspace as in the real business world. In the case of the Clue game vs. Clue computing, the court perhaps did provide a clue what to do when faced with two legitimate users of a mark that would not collide in the real world. When would a consumer buying a game toy confuse it with another company's Internet computer consulting service? Not in the real world! The court concluded that the law of dilution did not apply because FTDA, 15 U.S.C. § 1125(c) was not retroactive and the defendant had begun to use its web site Clue.com before the enactment of that act. The court held in *Hasbro, Inc. vs. Clue Computing, Inc.* (1999) 52 U.S.P.Q.2d 1402 that the strength of a trademark is not decisive in an infringement inquiry. "[T]he muscularity of a mark, in and of itself, does not relieve the markholder of the burden to prove a realistic likelihood of confusion." So what if the public might get confused when doing an Internet search for the game and come up with consulting? So what if consumers give up because the game is not available on the Internet? As held, Hasbro has produced evidence proving similarity of the marks and strength of its mark, but it has failed to produce any adequate evidence indicating intent to confuse. Yet this very famous old mark, used in the title of a major film about the game, surely was due some form of dilution remedy without having to prove confusion? Not so; the court went on, [Hasbro] has failed to produce any adequate evidence indicating common channels of trade and advertising, common prospective purchasers, and the crucial categories of similarity of the products and actual confusion. Overall, Hasbro has failed to demonstrate, as a matter of

law, that there is a likelihood that consumers will confuse Clue Computing's computer consulting web site with Hasbro's game. Thus, Hasbro has failed to show its federal trademark infringement claim, and Clue Computing is entitled to summary judgment on that claim. Hasbro has now gained ClueGame.com.

One wonders whether the channel of trade, i.e. the Internet, really is the same. Both marks having been in use in their respective realms for some time caused this court to not apply dilution law since the act was not effective. Yet but for this fact, the court would have had to juggle which was most famous. It would have had no statutory authority to go further. It could not for example, say that under common law or state theories of passing off and the like, or because of the distinctiveness of the mark, it would enjoin another legitimate user. The admixture of Internet and real time could boggle any judicial calendar.

## 2. Cybersell Inc. vs. Cybersell, Inc.

The next case uses very traditional notions to kill another trademark used in cyberspace. A claim on a trademark will not overcome lack of jurisdiction either. In *Cybersell Inc. vs. Cybersell, Inc.* 130 F.3d 414 (9th Cir.1997), the Ninth Circuit court summed up its holding, applying our normal 'minimum contacts' analysis, we conclude that it would not comport with traditional notions of fair play and substantial justice, for Arizona to exercise personal jurisdiction over an allegedly infringing Florida web site advertiser who has no contacts with Arizona other than maintaining a home page that is accessible to Arizonans, and everyone else, over the Internet (citing *Core Vent Corp. v. Nobel Indus. AB*, 11 F.3d 1482, 1485 (9th Cir. 1993) and quoting *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945)). Thus because of lack of minimum contacts with the forum, *Cybersell, Inc.*, an Arizona corporation that merely advertises its commercial services over the Internet, could not stop *Cybersell, Inc.*, a Florida corporation that offers web page construction services over the Internet. The web page had the word "Cybersell" at the top and the phrase, "Welcome to Cybersell!" *Cybersell Arizona* claimed that *Cybersell FL* infringed its registered trademark and brought an action in the district court in Arizona. They held the Arizona court could not exercise personal jurisdiction over *Cybersell FL*, because it had no contacts with Arizona other than maintaining a web page accessible to anyone over the Internet. The rule developed in *Zippo* says that to obtain long arm jurisdiction, the contacts needed to be more than mere advertising and include activities like offering things for sale, making e-tail sales, gathering data and shipping into the forum. See *Zippo Manufacturing Company vs. Zippo Dot Com, Inc.* (W.D. Pennsylvania, 1997) , 65 USLW 2551, 42 U.S.P.Q.2d 1062.

### The Jurisdictional Conundrum

When an identical infringing mark is used as a URL to show or advertise the source of different goods or services that a consumer would not for an instant confuse, there may be no remedy. If the consumer's experience amounts to what is termed initial interest confusion, there may be a closer case. This can be established when a consumer may not be confused when they first hit on a web site, but after a while experiencing the site, come to realize their error. The effects can be many but can affect the hits a web site receives. If the infringing site is in the same business as the searched for one the consumer may stay and shop at the infringing site, and come back to the wrong site thus causing loss of business for the desired site. Consumers who do not like what they see from the hit site may never attempt to return to the one they were looking for thus tarnishing the mark of the desired site. Imagine how you would feel looking online for information on Porsches and instead find a web site with totally different subject matter. Other likely behaviors could include the consumer looking for the right site if it is not buried under 100's of hits in a web search. The consumer may give up, not bother, or assume there is no *Zippo*

lighter site available. The Zippo case presents a now more often used analysis to cyber jurisdiction, where the issue is whether or not the web site does more than passively advertise in another (the forum) state. If the site tends to not only advertise but also encourage response and purchase of goods and services, it is more likely to fall within the usual minimum contacts analysis and can be called into that forum.

### 3. Porsche Cars North America, Inc., vs. Porsch.ComURLs

The third case that looked very promising but went awry is Porsche Cars North America, Inc., vs. Porsch.Com(dozens of defendant URLs) Unfortunately in January, 1999 this case was dismissed. This case was important; it was about not one Internet domain name, not two of them but dozens of diluting and infringing URLs. The USDC, E. Dist. Of Virginia Alexandria Division Civil (Action No. 99-0006-A (filed 1/6/99)) was the hope of many trademark owners and the bane of others. It was theorized that a court could allow in rem jurisdiction over the situs of domain names i.e., where they were registered. Similar to the argument used to venue litigation in the county where real property is located, this could have provided a common forum for many lawsuits over trademark domain name disputes. The theory is that the Domain Name is a property that is registered in the situs of Virginia at the InterNIC facility and thus can be sued there.

Porsche really had a problem since there were many dozens of defendants who owned web cites with such names as: porschecar.com, porschagirls.com, 928porsche.com and winaporsche.com. Some of these were adult oriented (putting it mildly) and others were fan sites lauding the car and the products that site owner sold through the site that would enhance the user's car experience and, by the way, use the Porsche name to falsely endorse those goods. It had to stop; rather than having to sue hundreds of defendants worldwide, a formidable expense, this in rem theory was attempted. Ultimately it was held to not apply. What are we to do? Are we not in cyber space? Maybe it's the twilight zone where a trademark owner of a famous mark cannot seem to get justice. There are many different rulings and reasons why a domain name and trademark may or may not coexist. Your guidebook for now is the Anti Cybersquatting Consumer Protection Act. Imagine, Avery Dennison, with its decades old marks held not famous enough to stop or obtain injunctive orders over avery.net and dennison.net. See Avery Dennison vs. Sumpton 51 U.S.P.Q.2d 1801 (9th Cir. 1999).

This incongruent state of the law that stems from cases using and defining differently the undefined terms famous, diluted and distinctive along with the undefined term cyber squatting. The law has evolved from what it was into the Anti Cybersquatting Consumer Protection Act (the Act). Thanks in major part to the Toeppen line of cases, what a cybersquatter is has been defined as a person who reserves and owns Internet domain names that are similar or identical to another's trademark or famous name and who traffics in them. This analysis focuses on only the second level or part to the left of the dot (not the .com or .org gTLD (generic top level domain name) part). We have an enhanced factor of intent because of the Toeppen cases. Where the domain name is not connected to a purported legitimate use on a web site there is a tendency for courts to consider this as intent to usurp another's trademark. Where there is a URL using the trademark in a domain name, especially if it has been there a while and it is not being used purely for registration or reservation and is up for sale, courts have considered this as an illegitimate or at least suspicious use and are more likely to enjoin it. Where the cybersquatter is attempting to sell the domain name to the trademark owner for a great price there is a presumption of bad faith. Where the price is reasonable and use is legitimate it is not as strong a factor. This is the analysis to success in cases like this.

#### 4. Panavision International, L.P. vs. Dennis Toeppen

The final pre - Act case discussed in this article in depth buries any notion that someone can use a trademark with impunity. Along came Dennis Toeppen, a modern day Intellectual Property pirate par excellence. We owe the case of Panavision International, L.P. vs. Dennis Toeppen (9th Circuit, 1997) 46 U.S.P.Q.2d 1511 for many of the rules that have become enacted as the law of this land in Section 3002 of the Act. The main facts of this notorious case include that Toeppen elected to register a domain name of a very famous film making service. Mr. Toeppen is an Illinois resident who registered the "Panavision" trademark as a URL and then held it up for sale. The owner, a large prominent and internationally famous movie company with its principal place of business in California has used its mark for many decades in movie theaters and equipment, lenses and film. You could never convince the court that Mr. Toeppen did not know it. He used this wide screen name as a domain name for his Illinois based Internet web site and by this thread was subject to personal jurisdiction in California. This is because the out of state resident could not get away with engaging in a tort-like scheme to register Panavision's trademarks as domain names in order to extort money from the company. The court stated the defendant purposefully (albeit electronically) directed his activity in a substantial way to the forum state." In other words, he directed that conduct toward California, the injury would be felt in California, the company's trademark dilution claims arose out of that conduct, and exercise of jurisdiction was reasonable. California [Const. Amend. 14](#); Cal. [C.C.P. § 410.10](#).

The Court used the 3-part test of *Omeluk v. Langsten Slip & Batbyggeri* 52 F.3d 267, 270 (9th Cir.1995): (1) The nonresident defendant must do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws; (2) the claim must be one which arises out of or results from the defendant's forum-related activities; and (3) exercise of jurisdiction must be reasonable.

The first prong is satisfied because Toeppen purposely availed himself of California by advertising his site there and offering the URL for sale there. He "has taken deliberate action" toward the forum state. Citing *Ballard v. Savage*, 65 F.3d 1495, 1498 (9th Cir.1995), the Court held where personal jurisdiction was exercised, there had been a purposeful direction of activity in a substantial way to the forum state. Citing *Cybersell, Inc. v. Cybersell, Inc.*, 130 F.3d 414 (9th Cir.1997), the Arizona court could not exercise personal jurisdiction over Cybersell FL, because it had no contacts with Arizona other than maintaining a web page accessible to anyone over the Internet. Here, in contrast, this pirate not only took the one and only unique URL. He actually held the owner hostage; they either buy the URL from him or, he might even sell it to another. He demanded \$13,000 from Panavision to release the domain name to it. His acts were aimed at Panavision in California, and caused it to suffer injury there.

#### A URL Is Not A Trademark

In *Brookfield Communications, Inc., vs. West Coast Entertainment Corporation*, USC Ninth Circuit. (April 22, 1999.) 174 F.3d 1036, 50 U.S.P.Q.2d 1545 another Hollywood case allowed for the opportunity to clear up the law, holding that the mere registration of a domain name *Moviebuff.com* does not provide any trademark priority as against a prior trademark user. This case also solidifies that an action for infringement may be based on use of Meta text (invisible use of a text or phrase that cannot be seen by users but search engines can find them). Thus the elements were laid bare to see and Congress saw the confusion in the cases on one hand and thought it was time for clearer definition in this international legal arena.

How to use a trademark on the Internet as a trademark is almost the same as any advertisement use. The mark needs to be emblazoned on buses or in TV ads using the dot com not as an address but as a source indicator. There are many uses a mark can have on a web site. These can include assembling pieces that fall into the mark, animations, sounds, and just the big mark, branded atop the web site's home page and on many other places in the web site.

## Legislative Action

Congress of the U.S. has just passed measures to correct the injustice. Signed by President Clinton on Nov 29, 1999, the Anticybersquatting Consumer Protection Act will define tomorrow's cases. This Act is an attempt to end the uncertainty and lessen the pitfalls and the trademark and famous name funerals. The law essentially allows civil statutory damages, civil causes of action and in rem actions against the owners of URLs. In some ways the Act is inconsistent with the approach in the international community and ADR. The law of dilution generally, outside of purely the Internet, will remain for a short time more a case of guesswork. I refer the reader to the excellent update article on the topic of the FTDA and what has become of dilution law that goes beyond this article dealing with cyber squatters (see: The Federal Trademark Dilution Act Becomes the Greatest Show on Earth? by Doris Estelle Long, 17 IPL Newsletter (ABA Intellectual Property Sec) 4, Summer, 1999).

Forget that overused joke about Governments not keeping pace with technology. The Act addresses the rift regarding trademark, URLs and dilution and adds to U.S. trademark law a right of publicity to give teeth and consistency to cyber squatting cases for trademark owners and famous persons. The Act could be a blessing, and it is hoped that it may lead to more consistent litigation than ever before on this matter. No matter what the cases like Ringling Bros. show as the grayness of dilution law generally, the law on the cyber side of trademark infringement seems to be clearer. There are certain practices that we will have zero tolerance for and, the trademark owners of the world could have a U.S. forum to assert their claims.

The Act states that Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by inserting at the end the following. Section 1125(d)(1)(A): A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person— (i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and (ii) registers, traffics in, or uses a domain name that-- (I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark; (II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or (III) is a trademark, word, or name protected by reason of section 706 of title 18, (Red Cross or any insignia colored in imitation thereof ) United States Code, or section 220506 of title 36, United States Code (Exclusive right of "United States Olympic Committee").

The phrase without regard to the goods and services of the parties adds to trademark law a new and unknown dimension. Traditionally, as stated above if the marks were used for different goods or services, they could avoid collision. Not so in URL trafficking. The section also applies to names of persons. This really can mean a lot to entertainers whose names are usurped for fake fan clubs that offer merchandise, advertising, endorsement or off color images that famous people may not like and need or want to stop.

## In Rem Actions

The Section offers solace to Porsche and other cases where trademark owners do not have the resources to chase down infringements to the four corners of the world. Section 1125 (d) (2) (A) provides that the owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located. There are some not so clear conditions and new procedures that allow for a court outside Virginia to assume jurisdiction if (i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c) and (ii) the court finds that the owner-- (I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or (II) through due diligence was not able to find a would-be defendant in a civil action by the publication and other methods of service one can usually avail themselves of when a defendant is not found or is out of the jurisdiction. There is a provision to obtain an order allowing the court of any District to exercise jurisdiction under some circumstances. The law is not the end all however, as the remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. There is no money damages avail in rem. But what is one to do when the registered contact for a mark lives in a remote Asian country and they ignore cease and desist letters and all the email threats one can in good faith muster?

There is an issue, to what extent is a URL property? In a recent case of Network Solutions Inc vs. Umbro International Va. S. Court 4/21/00 No 991168, suggests that the URL is or permits a service and thus it is not garnishable under Virginia's garnishment laws as a service rather than tangible goods or real property. Thus it is not amendable to an In Rem action under the state garnishment law. Yet Section 1125 (d) allows courts to order the Domain Name register to turn over a URL to a trademark owner. This may remain a conflict for some time.

### Anti Domain Name Trafficking Factors

That the cyber squatter Act follows case law, especially in making it clearer that the type of activity that Toeppen engaged in includes the following factors: (I) the trademark or other intellectual property rights of the person, if any, in the domain name; (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person; (III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services; (IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name; (V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site; (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct; (VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct; (VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that



are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and (IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of section 43. Note the distinctive, not famous.

### Limitations on How Act Applies

**Retroactivity of the act.** The act applies to domain names that were registered before the law's enactment, however: injunctive relief and transfer of the domain name is the only available remedy if the domain name was registered before the law's enactment. Damages (whether actual or statutory) are available only if the domain name was registered after the law's enactment.

Section 3010 provides some limitations on actions that seek to attack domain names registered before the Act. These sections of the Act apply to all domain names registered before, on, or after the date of the enactment of the Act (November 29, 1999): Sections 3002(a) [Cyberpiracy Prevention, Civil Action and In Rem Action], 3003 [Damages and Remedies], 3004 [Limitations on Liability of Domain Name Registrars, Domain Name Registries, or Other Domain Name Registration Authorities], 3005 [Definitions of Domain Name and Internet], and 3008 [a Constitutionality Savings Clause].

Section 3302 (b) Cyberpiracy Protections For Individuals, has its own effective date This subsection shall apply to domain names registered on or after the date of the enactment of this Act.

Note that damages under subsection (a) or (d) of section 35 of the Trademark Act of 1946 (15 U.S.C. 1117), as amended by section 3003 of the Act, shall not be available with respect to the registration, trafficking, or use of a domain name that occurs before the date of the enactment of this Act. That date is November 29, 1999.

### ADR Methods Enabled

New ADR methods, such as the new WIPO – ICANN uniform Domain Name Dispute Resolution Rules that enable international ADR providers and short limits of time for appeal. ADR – long used in Europe to settle disputes where law differs, these International Arbitration Alternative Uniform Rules apply as a real solution. See [www.icann.org](http://www.icann.org)

These are a trend to more easily allow resolution of disputes across not only seas, borders and boundaries, but even in cyberspace itself. The ICANN rules are outside of the scope of this article. Suffice it to say they call for a 50 day ADR process after which a claimant may quickly appeal.

WIPO is at the forefront providing ADR services. Their cases are reported on their web site and thus form a line of published Arbitrations that tend to prove out the rights of registered trademark owners.

Start Case by submitting a complaint in accordance with the Policy. The website provides detailed rules and instructions, a Form complaint and published fees. It supplies the names and contact for ADR providers worldwide. The basic procedure can be paper or electronic. Submittal of a Complaint (based on a form and detailed instructions) is sent to a Provider. There it gets examined and served on the defendant. The defendant then has a short time to file a response and a decision is made, according to strict rules that have undergone many iterations. You only get Equity, no damages.

### Rules for Personal Names New 15 U.S.C. 1129 CIVIL ACTION:

Persons have rights of publicity and a right to privacy. They will be able to assert claims akin to



California Civil Code's Sec. 3344, use of name, voice, signature, photograph or likeness to pass off or endorse a product or service, worldwide against cyber squatters who use those names for potentially defamatory or diluting web sites without authorization. So too will not so famous trademark owners be able to make claims in the court where a domain name is registered, rather than the country of residence of the pirate on proof of a distinctive trademark rather than an outright famous one. The law on this topic will evolve rapidly but at the turn of the new millennium in e-business, I-business and global communication, the world is not yet in its honeymoon on the long marriage of e-commerce and the law.

Section 1129 says, Any person who registers a domain name that consists of the name of another living person<sup>[1]</sup> substantially and confusingly similar thereto, without that person's consent with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party.

There is no doubt that this Act applies to protect any personal name, but it especially easily applies to famous names, stars, royalty<sup>[2]</sup>, well known creative people and artists.

The Julia Roberts Cases: Ms. Roberts took an infringer of her name to WIPO and won an arbitration award under the Uniform ADR Rules, against juliaroberts.com. The DotCom then sued Julia for trying to stop him from operating his web site and to quash the WIPO order. An argument is that the site is a parody, and contains news and comment.

This case might be the first to look at the Big Exception: in subsection 1129 (B), the law provides, if such name is used in, affiliated with, or related to a work of authorship protected under Title 17, including a work made for hire as defined in section 101 of Title 17, and if the person registering the domain name is the copyright owner or licensee of the work, the person intends to sell the domain name in conjunction with the lawful exploitation of the work. Title 17 is the Copyright Act. Works of Visual, Text, software, Sound Recordings, Performing Arts and much more are contained in this. Thus if the contents in the juliaroberts.com web site is a valid Copyright Act work it may be this exception that undoes this section. This is one to follow.

Remedies: a court may award injunctive relief, including the forfeiture or cancellation of the domain name or the transfer of the domain name to the plaintiff. The court may also, in its discretion, award costs and attorneys fees to the prevailing party. The effective date is not retroactive: This section shall apply to domain names registered on or after November 29, 1999.

## Cases Since the Act

Sporty's Farm L.L.C., V. Sportsman's Market, Inc, Omega Engineering, Inc., Docket Nos. 98-7452(L), 98-7538(XAP) United States Court of Appeals, Second Circuit, Feb. 02, 2000, 2000 WL 124389. This case was an appeal from a finding that Sporty's Farm violated the Federal Trademark Dilution Act, 15 U.S.C. § 1125(c), and enjoining Sporty's Farm from using the Internet domain name "sportys.com."

Since the 1960s, Sportsman's an aviators enthusiasts catalog, began using a "Sporty " Logo to identify its catalogs and products. In 1985, Sportsman's registered the trademark Sporty's® . The Sporty's mark identifies all Sportsman's catalogs; Sportsman's international toll free number is 1-800-Sportys. Sportsman's spends about \$10 million per year advertising its sporty's logo. Omega is a mail order catalog company that sells mainly scientific instruments. In late 1994 or early 1995, the owners of Omega, the Hollanders, entered the aviation catalog business and formed a wholly owned subsidiary called Pilot's Depot, LLC for that purpose. Omega then registered the domain name sportys.com with

NSI. Arthur Hollander was a pilot who received Sportsman's catalogs and was aware of the Sporty's trademark. Omega formed another wholly owned subsidiary called Sporty's Farm and sold it the rights to sportys.com for \$16,200. When asked he had a very strange story about how he came up with his sportys.com, that it was his dog spotty's name and that he recalled how the dog liked his uncle's farm. The Court below clearly found this to be a strange and unbelievable story and held under ACPA Omega was liable.

Between the original case and the Appeal, the ACPA was passed and that it applies to this case. Second Circuit judges stated, The Internet phenomenon known as "Cybersquatting" has become increasingly common in recent years. Cybersquatting involves the registration as domain names of well-known trademarks by non-trademark holders who then try to sell the names back to the trademark owners. Since domain name registrars do not check to see whether a domain name request is related to existing trademarks, it has been simple and inexpensive for any person to register as domain names the marks of established companies. This prevents use of the domain name by the mark owners, who not infrequently have been willing to pay "ransom" in order to get "their names" back.<sup>[3]</sup> There was a finding that the ACPA was passed to remedy the perceived shortcomings of applying the FTDA in Cybersquatting cases such as this one. Sporty's was found to be famous enough under FTDA however, and since no public confusion was needed under the Act, and the mark is distinctive there Plaintiff won under either law.

This case was first: The opinion was the first interpretation of the ACPA at the appellate level. The court was asked to undertake the interpretation of this new statute even though the district court made its ruling based on the FTDA. The case presented a factual situation that, as far as the Court can tell, is rare if not unique: A Competitor X of Company Y has registered Y's trademark as a domain name and then transferred that name to Subsidiary Z, which operates a business wholly unrelated to Y. These unusual features counsel that we decide no more than is absolutely necessary to resolve the case before us. Thus the decision may not be relied on for all circumstances.

Joe's Cartoons.

Joseph C. Shields, Individually And T/A The Joe Cartoon Co., John Zuccarini 54 U.S.P.Q.2d 1166 No. CIV. A. 00-494. United States District Court, E.D. Pa, March 27, 2000. This was one of the first motions for a preliminary injunction under the new Act. Plaintiff Shields is a graphic artist from Alto, Michigan, creates, exhibits, and markets cartoons under the names "Joe Cartoon" and "The Joe Cartoon Co." His creations include the popular "Frog Blender", "Micro-Gerbil", and "Live and Let Dive" animations. Shields licenses his cartoons to others for display on T-shirts, coffee mugs, and other items, many of which are sold at gift stores across the country. He has marketed his cartoons under the "Joe Cartoon" label for the fifteen years prior to the case. Plaintiff's "Joe Cartoon" mark was held to be a distinctive and famous mark, and thus entitled to protection under Anticybersquatting Consumer Protection Act (ACPA). Lanham Trade-Mark Act, § 43(d)(1)(A)(ii)(I, II), 15 U.S.C.A. § 1125(d)(1)(A)(ii)(I, II). The facts included that Defendant is a "wholesaler" of Internet domain names, and as such registered domain names, "joescartoon.com," "joecarton.com," "joescartoons.com," "joescartoons.com," and "cartoonjoe.com." All these were found to be confusingly similar to plaintiff's "joecartoon.com" mark, within meaning of the Act. The Defendant, pending the case, posted on its web site a Page of Political Protest against Joe and his cartoons, alleging they are violent to animals.

The Court set forth clearly the main factors under the Act: The first criterion under § 1125(c) is "the degree of inherent or acquired distinctiveness of the mark. (2) "The duration and extent of use of the mark (3) "The duration and extent of advertising and publicity of the mark." Was found to have been

short but extensive and international. (4) "The geographical extent of the trading area in which the mark is used." This was also international and popular. (5) "The channels of trade for the goods and services with which the mark is used." (6) "the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought." It was found that the Defendant overused the Joe's mark. (7) "The nature and extent of use of the same or similar marks by third parties."

The Joe's use was fairly unique for cartoons. Under all factors, Shields cartoons were distinctive since the 1990s, widely licensed worldwide, in many channels of trade including prints, clothes, and other media with a proven high degree of recognition. In contrast, Zuccarini's very business existence depends upon his parasitic use of others' names and it got worse for him from there. For all practical purposes identical to "joecartoon.com" and because of his intent and collection of such names, the court had little trouble attaching liability.

## Conclusion

As in any cooperative venture there are bound to be errors, fights and conflicts in the law. We are going into a more confusing era as each of the 50 U.S. states and most countries will enact laws to allow e-signatures (UETA) with S.761, the Third Millennium Electronic Commerce Act modifying these. On the horizon is (UCITA) for e-securities, e banking and making agreements in cyberspace. There is the GBDe (Global Business Dialogue on E Commerce) comprised of very high profile successful high tech companies who provide input to governments about what they would like to see and what they believe will work. There are WIPO, ICANN and other international agencies, providing ADR and there is enforcement the like of the CIA, Interpol, Customs and other international enforcement mechanisms.

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[1] Note that California civil code 3344 creates a Right of Publicity and that 3344.1 this extends to deceased personalities.

[2] This author was asked for clarity on this by BBC reporter Susan O'Keefe, whether the Act applies to protect such as Her Majesty's rights to her many names and designations.

[3] See H.R.Rep. No. 106-412, at 5-7; S.Rep. No. 106-140, at 4-7 (1999).